

# **FISCAL MEMORANDUM**

## **HB 4025 – SB 4076**

May 14, 2008

**SUMMARY OF AMENDMENT (018499):** Defines “health benefits coverage” and “involuntary loss of coverage” within the *Cover Tennessee Act of 2006*. Expands the Department of Finance and Administration’s options for waiving the eligibility requirement for an individual to be without insurance for at least six months. Opens participation of the program to county and metropolitan governments.

FISCAL IMPACT OF ORIGINAL BILL:

MINIMAL

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures – Not Significant**

**Increase Local Expenditures – \$485,900/Permissive**

Assumptions applied to amendment:

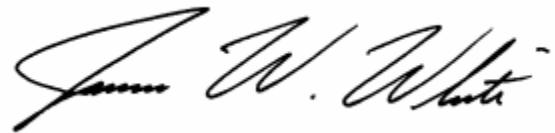
- The Department of Finance and Administration will establish eligibility requirements for employees of the counties that are eligible to participate in Cover Tennessee. Any cost will be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The counties opting to participate in the Cover Tennessee program are not eligible to receive any state financial support for the program.
- The monthly premium for coverage is set through 2009. Any additional enrollees will not have an impact on the monthly premium amounts.
- The county governments participating in the program are required to have at least a 50 percent participation rate among employees and cover at least 66 percent of the employees’ premiums.
- According to the Department of Finance and Administration, there are seven counties that will be eligible to participate in the program.
- There are a total of 817 employees in these seven counties resulting in 409 (817 x 50%) county employees participating in the program.

**HB 4025 – SB 4076**

- Due to the individual's physical factors used to determine a person's monthly premium amount, an exact amount can not be determined. It is estimated that each employee on average will be charged \$150 per month premium. Each county is responsible for 66 percent of this amount or \$99 (\$150 x 66%) per month per employee.
- The estimated increase in local expenditures is estimated to be at least \$485,892 (409 employees x \$99 per month x 12 months).

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml